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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application of:
HOWARD, FRANK)
Serial No.: 10/604,830) Group Art Unit: 3621
Filed: 08/20/2003) Examiner: Cheung, Mary
Title:
SYSTEM AND METHOD OF
MEDIATING BUSINESS
TRANSACTIONS)

MAILSTOP APPEAL BRIEF - PATENTS
Commissioner for Patents
PO Box 1450
Alexandria VA 22313-1450

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(Docket No. 0002.000)



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HOWARD, FRANK) Confirmation No.: 1829
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METHOD OF MEDIATING BUSINESS) WANG
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APPEAL BRIEF

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APPLICANT'S BRIEF ON APPEAL

In response to the Office Action dated August 17, 2005, Applicant's Brief on Appeal in accordance with 37 C.F.R. §1.192 is hereby submitted in triplicate. The Examiner's final rejections of claims 1, 5, 8, 11, 13, and 17 are herein appealed, and allowance of said claims is respectfully requested.

The requisite fee of \$250.00 as required by 37 C.F.R. §41.20(b)(2) is submitted herewith.

Respectfully Submitted,
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Following are the requisite statements under 37 C.F.R. §41.37:

I. Real Party in Interest

Frank Howard, the sole inventor of the claimed subject matter, is the real party in interest.

II. Related Appeals and Interferences

No related appeals or interferences are known to the Appellant which may directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

III. Status of Claims

As originally filed, the present application included nineteen (19) claims, with claims 1, 5, 11, 12, and 16 being independent.

In a first Office Action, dated March 22, 2005, the Examiner rejected all pending claims. More specifically, the Examiner, in relevant part, rejected claims 1-6 under 35 U.S.C. §102(b) as being anticipated by U.S. Patent Application Publication No. 2001/0039535A1 (hereinafter referred to as "Tsiounis"); rejected claims 7-11 under 35 U.S.C. §103(a) as being unpatentable over Tsiounis in view of U.S. Patent No. 6,038,551 ("Barlow"); and rejected claims 12-19 under 35 U.S.C. §103(a) as being unpatentable over Barlow.

In response to these rejections, the Applicant amended independent claims 1, 5, and 11, and made arguments in support of the sufficiency of the amendments to overcome the rejections. Also, the Applicant requested clarification regarding certain conclusory and unsupported assertions made by the Examiner regarding the disclosures of the cited prior art references.

In a second Office Action, dated August 17, 2005, the Examiner reiterated her previous grounds in again rejecting all pending claims, including those that had been amended to overcome the previous grounds, and made the rejections final. The Examiner did, however, respond to the Applicant's request for clarification by citing specific language in the cited prior art references in support of the Examiner's assertions regarding the disclosures of the cited prior art references.

Because the language cited by the Examiner did not appear to in fact support her assertions, the Applicant's representative requested a telephone discussion with the Examiner for further clarification. The Examiner kindly discussed the issues further, but no agreement was reached. As a result, the Applicant filed Notice of the present Appeal on October 14, 2005. Claims 1-19 are currently pending, and the rejections of claims 1, 5, 8, 11, 13, and 17 are appealed.

IV. Status of Amendments

All amendments submitted by the Appellant have been entered.

V. Summary of Claimed Subject Matter

It is becoming increasingly possible and popular to purchase goods or services over the Internet. (Para. 0004). Often, credit cards, debit cards, or other online payment systems are used to provide payment for these goods or services. (Para. 0004). These prior art payment systems, however, suffer from a number of problems and disadvantages of concern to both the purchaser and the merchant. (Para. 0004). One such problem involves a lack of communication security and, as a result, the purchaser's exposure to potentially large financial losses. (Para. 0002). Interception and theft of credit card or account information, for example, may expose the purchaser to losses as great as the associated line of credit or account balance. (Para. 0004). Another problem involves the amount of personal information required by the prior art payment systems, and the accumulation and sale of purchase records associated with the personal information. (Para. 0005). More specifically, the service providers desire and insist upon developing an inseparable association between the purchaser and the purchases so that a permanent record can be created and subsequently sold to advertisers, merchants, and other third-parties. (Para. 0006).

Purchasers, however, are becoming increasingly wise to such problems and tactics and, as a result, are in search of increased privacy and systems and methods for achieving such when making online purchases. (Para. 0006). It will be appreciated, for example, that individuals purchasing personal healthcare or medical supplies via the Internet will often wish to avoid the embarrassment and nuisance of other businesses

learning of these purchases and sending, emailing, or telephoning advertisements for the same or similar products in an effort to win the purchaser's patronage. (Para. 0006). For businesses, the need for privacy may be much more acute. For example, distribution of a record of a company's purchases of goods or services may provide competitors with an indication of the company's activities, thereby potentially compromising the company's strategic business plans. (Para. 0006).

One method of avoiding the creation and distribution of such purchase records involves using prepaid or stored-value cards to make anonymous purchases. (Para. 0007). These cards are obtained having an associated monetary value which is thereafter reduced using a card reader/writer device each time a purchase is made. (Para. 0007). Unfortunately, current methods of affecting transactions using such cards suffer from a number of disadvantages, particularly from the perspective of the merchant. (Para. 0007). In the prior art, purchase transactions involve the merchant accepting the card as payment and then shipping the ordered item. (Para. 0007). In effect, the merchant makes the sale on credit and must later seek reimbursement from a third-party implementor or backer (e.g., a bank or other financial institution) of the card. (Para. 0007). It will be appreciated that this exposes the merchant to substantial risk of loss in that the stored-value card may not be honored by the third-party implementor for any number of reasons, including, for example, fraudulent tampering with the card, particularly the associated monetary value, by the purchaser. (Para. 0007). Given this risk, a large number of merchants may decide not to accept the

stored-value card as payment, thereby undermining its use as a viable payment system. (Para. 0007).

The present invention addresses the problems of the prior art, and addresses the concerns of both merchant and consumer alike, by providing a system 10 and method for mediating business transactions. (Para. 0009). The present invention comprises a transaction mediation service provider (the "mediator") using a transaction center 12 adapted and operable to allow for mediating business transactions between a purchaser using a purchaser device 14 for placing orders and a merchant using a merchant device 16 for receiving orders, thereby enabling the purchaser to remain substantially anonymous while reducing the merchant's risk of loss by confirming payment substantially simultaneously with receipt of an order. (Para. 0009). The system 10 and method of the present invention preferably make use of an improved stored-value or smart card 18. (Para. 0009).

The transaction center 12 may take the form of a call center broadly including a plurality of telephone stations 22 manned by operators, with each such station having a telephone 24 and a computer terminal 26, and a central server 28 hosting an account database 30 and a merchant database 32. (Para. 0010). The account database 30 contains information for authenticating or confirming the validity and remaining monetary value of any cards 18 issued or otherwise honored by the mediator. (Para. 0010). The merchant database 32 contains information for identifying merchants participating in the transaction mediation service and for transmitting payment confirmation and order information to these merchants. (Para. 0010). Alternatively, the

center may include no or few telephones or operators, being instead substantially automated, wherein computers receive and process the purchasers' calls. (Para. 0010). In yet another alternative implementation, the center is web-based rather than telephone-based, such that purchaser-and-center and center-and-merchant communications occur via a communications network such as the Internet. (Para. 0010).

The card 18 is adapted to store at least card authentication or identification information using a magnetic storage medium 34 or smart chip 35. (Para. 0011). The monetary value associated with the card 18 may be stored on the card 18 itself or in the account database 30 maintained by the center 12. (Para. 0011). No personal information about the purchaser need be obtained or stored. (Para. 0011). More specifically, the card 18 need not be in any way associated with the purchaser, making it a highly negotiable instrument. (Para. 0011). So long as the card itself 18 can be authenticated, the mediator needs no other information in order to confirm payment for the merchant. (Para. 0011). Where the purchaser desires to remain as anonymous as possible, the purchaser's device 14 used to contact the center 12 and place the order may be an unassociatable or common-usage device such as, for example, a public telephone or library computer, and the shipping address given for the order may be that of a third-party mail-receiving service. (Para. 0011). Where it is desirable to allow for storing the purchaser's name, shipping address, or other personal information on the card, a selection mechanism 38 is provided that allows the purchaser to transmit or withhold this personal information as desired. (Para. 0011).

The selection mechanism 38 may take the form of a mechanical sliding switch on the card 18 itself or on a card reader/writer device 36, or may take the form of a software-based virtual switch provided by software stored on the purchaser's device 14. (Para. 0027). In an alternative or additional implementation, a second magnetic storage medium 40 may be provided on the card 18, with the first magnetic storage medium 34 being limited to storing only non-personal information and the second magnetic storage medium 40 storing only personal information or both non-personal and personal information. (Para. 0027). In this case, the purchaser selects whether to withhold or transmit any personal information by purposefully orienting the card 18 within the card reader/writer 36 so as to result in either the first or second magnetic storage mediums 34,40, respectively, being accessed. (Para. 0027). This feature advantageously allows the purchaser to decide at the time of purchase whether to withhold or transmit information and thereby maintain or forego privacy as desired, depending, for example, on such considerations as the nature of the goods or services being purchased. (Para. 0027). Where personal information is withheld, the purchaser may be prompted to enter, speak, or otherwise provide a shipping address; but where personal information is transmitted, such information may include the shipping address.

In operation, the center 12 is effectively interposed between the purchaser and merchant and acts as an intermediary that receives the purchaser's order and payment information (e.g., card authentication information); verifies the validity of the card 18; and forwards the order and confirmation of payment to the merchant. (Para. 0012).

The merchant can then safely fill and ship the order knowing that the payment has been confirmed and is guaranteed. (Para. 0012).

Thus, it will be appreciated that the present invention provides a number of substantial advantages over the prior art, including, for example, enabling purchasers to remain substantially anonymous while reducing the merchant's risk of loss by confirming payment substantially simultaneously with receipt of an order. (Para. 0013). This is accomplished in part by interposing the mediator between the purchaser and merchant rather than requiring, as the prior art does, the merchant to deal directly with the purchaser and, in effect, make sales on credit and hope to be later reimbursed. (Para. 0013). More specifically, in the present invention the purchaser communicates order and payment information to the mediator, who is then able to confirm payment when forwarding the order to the merchant, thereby reducing or eliminating the merchant's risk of loss. (Para. 0013). This, in turn, makes more merchants more likely to participate in the mediator's service and accept the cards. (Para. 0013).

Furthermore, the card advantageously provides a highly negotiable instrument for payment that further enhances purchaser privacy by allowing for selectively associating or disassociating purchasers' personal information from purchases. (Para. 0014). For purchases for which it is desirable to transmit personal information, the present invention provides the extremely advantageous feature of selective enablement, allowing the purchaser to easily determine for each purchase whether to withhold or transmit the personal information. (Para. 0014).

VI. Grounds of Rejection to be Reviewed on Appeal

- A. Applicant appeals the rejections of claims 1 and 5 under 35 U.S.C. §102(b) as being anticipated by Tsiounis.
- B. Applicant appeals the rejection of claim 11 under 35 U.S.C. §103(a) as being unpatentable over Tsiounis in view of Barlow.
- C. Applicant appeals the rejection of claim 8 under 35 U.S.C. §103(a) as being unpatentable over Tsiounis in view of Barlow.
- D. Applicant appeals the rejections of claims 13 and 17 under 35 U.S.C. §103(a) as being unpatentable over Barlow.

VII. Argument

- A. Tsiounis does not disclose every element of claims 1 and 5, and therefore Tsiounis does not anticipate the claimed invention under 35 U.S.C. §102(b).

In the first Office Action dated March 22, 2005, and reiterated and made final in the second Office Action dated August 17, 2005, the Examiner rejected claims 1 and 5 under 35 U.S.C. §102(b) over Tsiounis. Contrary to the Examiner's assertions, however, Tsiounis does not teach or inherently include each, every, and all aspects of

the invention claimed in claims 1 and 5, particularly steps (b) and (e) of claim 1 or identical steps (c) and (f) of claim 5, as is required for anticipation, and therefore the Examiner's rejections of claims 1 and 5 should be overruled.

1. State of the law with respect to 35 U.S.C. §102(b).

35 U.S.C. §102(b) states, in relevant part, that “[a] person shall be entitled to a patent unless the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.” For rejections based on anticipation, there is no question of obviousness or modification of the reference, rather a single reference must teach each, every, and all aspects of the claimed invention either explicitly or impliedly, and any feature not directly taught must be inherently present. MPEP §§706.02 and 2131 citing *Verdegaal Bros. v. Union Oil Co. Of California*, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). “The identical invention must be shown in as complete detail as is contained in the...claim.” MPEP §§706.02 and 2131 citing *Richardson v. Suzuki Motor Co.*, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989). Furthermore, a prior art device can perform all of the functions of a claimed apparatus and yet not anticipate the claimed apparatus if the claimed apparatus and the prior art device are structurally distinguishable. MPEP §2114 citing *In re Robertson*, 49 USPQ2d 1949, 1951 (Fed. Cir. 1999). Thus, a rejection under 35 U.S.C. §102(b) is overcome by amending the claims to patentably distinguish over the prior art and/or

persuasively arguing that the claims are patentably distinguishable from the cited prior art reference. MPEP §706.02(b).

2. Tsiounis does not disclose step (b) of claim 1 or identical step (c) of claim 5.

The Examiner asserts that Tsiounis discloses the step in claims 1 and 5 of *electronically receiving at the transaction center order information from the purchaser, wherein the order information need not identify the purchaser*, and cites the language of paras. 43 and 96 and the content of figure 1 in support of her assertion.

Tsiounis is concerned primarily with the confidentiality of customer payment information with respect to merchants. Such information may include, for example, debit card numbers, credit card numbers, bank account numbers, and routing information, with respect to merchants. Tsiounis expresses no concern with the confidentiality of customer identity, i.e., privacy or even complete anonymity, with respect to merchants. Thus, as can clearly be seen in figure 1, there is direct interaction between customer and merchant, and this interaction is expressly described in para. 0036: “The web browser on customer computer 100 interprets the customer’s indication and transmits the selections to merchant server 110 as order information (step 10). Merchant server 110 receives the order information and transmits back to the customer transaction information...” The ‘transaction information’ referred to in para. 0043 is expressly defined in para. 0036 as including payment price, currency code,

merchant identification number, transaction date and time, and description of goods sold, and is expressly distinguished from 'order information'. Thus, contrary to the Examiner's assertions, not only does Tsiounis not disclose the claimed step of receiving order information at the transaction center from the purchaser, but expressly teaches receiving the order information at the merchant from the purchaser. To be clear: Tsiounis' trusted third party is interposed between customer and merchant only for the purpose of payment, not for the purpose of ordering, while the claimed invention interposes its transaction center between customer and merchant for the purposes of both ordering and payment.

Thus, Tsiounis does not teach or inherently include each, every, and all aspects of the invention claimed in claims 1 and 5, particularly step (b) of claim 1 and identical step (c) of claim 5, as is required for anticipation, and therefore the Examiner's rejections of claims 1 and 5 should be overruled.

3. Tsiounis does not disclose step (e) of claim 1 or identical step (f) of claim 5.

The Examiner asserts that Tsiounis discloses the step in claims 1 and 5 of *electronically forwarding the order information to the participating merchant and substantially simultaneously confirming payment to the participating merchant*, and cites the language of paras. 52 and 96 and the content of figure 1 in support of her assertion.

As mentioned above, order information is exchanged directly between the customer and merchant, therefore there is no need for the trusted third party to forward it to the merchant. The language of para. 0052, cited by the Examiner in support of her rejection, teaches only that “[trusted third party] 120 notifies merchant server 110 that payment has been executed (step 16).” As discussed above, Tsiounis distinguishes ‘order information’ from ‘transaction information’, and the payment notification discussed in para. 0052 is transaction information. Therefore there is no teaching, expressed or implied, that order information is forwarded from the trusted third party to the merchant, as is required by the claimed step.

Thus, Tsiounis does not teach or inherently include each, every, and all aspects of the invention claimed in claims 1 and 5, particularly step (e) in claim 1 and identical step (f) in claim 5, as is required for anticipation, and therefore the Examiner’s rejections of claims 1 and 5 should be overruled.

B. The Examiner has failed to establish the requisite *prima facie* case of obviousness by failing to show that the combination of Tsiounis and Barlow teaches or suggests all of the limitations of claim 11, and therefore the combination of Tsiounis and Barlow does not make the claimed invention unpatentable under 35 U.S.C. §103(a).

In the first Office Action dated March 22, 2005, and reiterated and made final in the second Office Action dated August 17, 2005, the Examiner rejected claim 11 under

35 U.S.C. §103(a) over Tsionis in view of Barlow. Contrary to the Examiner's assertions, however, neither Tsionis nor Barlow nor the combination thereof teaches or suggests all of the limitations of the invention claimed in claim 11, particularly steps (c) and (f) of claim 11, as is required for obviousness, and therefore the Examiner's rejection of claim 11 should be overruled.

1. State of the law with respect to 35 U.S.C. §103(a).

Obviousness, it will be appreciated, can be a problematic basis for rejection because the Examiner, in deciding that a feature is obvious, has benefit of the Applicant's disclosure as a blueprint and guide, whereas one with ordinary skill in the art would have no such guide, in which light even an exceedingly complex solution may seem easy or obvious. Furthermore, once an obviousness rejection has been made, the Applicant is in the exceedingly difficult position of having to prove a negative proposition (i.e., non-obviousness) in order to overcome the rejection. For these reasons, if the Examiner fails to establish the requisite *prima facie* case, the rejection is improper and will be overturned. *In re Rijckaert*, 28 USPQ2d 1955, 1956 (Fed. Cir. 1993). Only if the Examiner's burden is met does the burden shift to the applicant to provide evidence to refute the rejection.

The Examiner must satisfy three criteria in order to establish the requisite *prima facie* case of obviousness: (1) there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary

skill in the art, to modify the reference or combine their teachings; (2) there must be a reasonable expectation of success; and (3) the prior art reference (or combination of references) must teach or suggest all the claim limitations. MPEP §706.02(j), citing *In re Vaeck*, 20 USPQ2d 1438 (Fed. Cir. 1991). Furthermore, "[t]he mere fact that the prior art may be modified in the manner suggested by the Examiner does not make the modification obvious unless the prior art suggested the desirability of the modification." *In re Fritch*, 23 USPQ2d 1780, 1783-84 (Fed. Cir. 1992); see also *In re Gordon*, 221 USPQ2d 1125, 1127 (Fed. Cir. 1984). Additionally, "if the proposed modification would render the prior art invention being modified unsatisfactory for its intended purpose, then there is no suggestion or motivation to make the proposed modification." MPEP §2143.01.

In meeting this initial burden, the Examiner "cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention" *In re Fine*, 5 USPQ 2d 1596,1600 (Fed. Cir. 1988). The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art and not based on the Applicant's disclosure. *In re Vaeck*, 20 USPQ 2d 1438, 1442 (Fed. Cir. 1991). Thus, "[m]easuring a claimed invention against the standard established by section 103 requires the oft-difficult but critical step of casting the mind back to the time of invention, to consider the thinking of one of ordinary skill in the art, guided only by the prior art references and the then-accepted wisdom in the field. See e.g., *W. L. Gore & Assoc., Inc. v. Garlock, Inc.*, 220 USPQ 303, 313 (Fed. Cir. 1983).

2. The combination of Tsiounis and Barlow does not teach or suggest either step (c) or step (f) of claim 11.

Step (c) of claim 11 is identical to step (b) of claim 1 and step (c) of claim 5, and step (f) of claim 11 is identical to step (b) of claim 1 and step (f) of claim 5. The rejections of these steps of claims 1 and 5 was discussed above and applies equally to the rejections of the identical steps of claim 11. The rejection of claim 11 has been treated under a separate heading because the ground for rejecting claim 11 is not 102(b) but rather 103(a), the significance of which is discussed below.

The Examiner is forced to combine Tsiounis and Barlow in order to account for all of the steps in claim 11, but relies on each reference separately in treating each individual step in claim 11. In discussing steps (c) and (f), for example, the Examiner refers only to language in Tsiounis. More specifically, the Examiner states that "As to claim 11, Tsiounis teaches a method of mediating a business transaction, the method comprising the steps of..." and discusses steps (c) and (f) long before introducing Barlow to account for steps concerning the particulars of the card required by step (b). And so the Examiner does not appear to assert that the combination with Barlow overcomes the deficiencies of Tsiounis set forth in the discussion of the rejections of claim 1 and 5 above, or even that these deficiencies are remedied by rejecting claim 11 under obviousness rather than lack of novelty.

Thus, as has already been made clear, Tsiounis does not teach, inherently include, or suggest all of the limitations of claim 11, particularly steps (c) and (f), as is

required for obviousness, and the combination with Barlow does not remedy this deficiency (nor does the Examiner appear to assert that it does), and therefore the Examiner's rejection of claim 11 should be overruled.

C. The Examiner has failed to establish the requisite *prima facie* case of obviousness by failing to show that the combination of Tsiounis and Barlow teaches or suggests all of the limitations of claim 8, and therefore the combination of Tsiounis and Barlow does not make the claimed invention unpatentable under 35 U.S.C. §103(a).

The Examiner has, through two Office Actions and a telephone discussion maintained her rejection of claim 8 under 35 U.S.C. §103(a) over Tsiounis in view of Barlow, based on her assertion that Barlow "teaches the selection mechanism is a mechanical sliding switch provided on the card." Contrary to the Examiner's assertions, however, neither Tsiounis nor Barlow nor the combination thereof teaches or suggests all of the limitations of the invention claimed in claim 8, particularly the limitation of a mechanical sliding switch provided on the card, as is required for obviousness, and therefore the Examiner's rejection of claim 8 should be overruled.

1. State of the law with respect to 35 U.S.C. §103(a).

The state of the law with respect to 35 U.S.C. §103(a) is set forth above.

Reference will be made to that discussion as needed.

2. The combination of Tsounis and Barlow does not teach or suggest all of the limitations of claim 8.

The Examiner is forced to combine Tsounis and Barlow in order to account for all of the steps in independent claim 5, from which claim 8 depends, but refers only to language in Barlow in treating the particular limitation introduced in claim 8. More specifically, the Examiner states that "As to claim 8, "Barlow further teaches the selection mechanism is a mechanical sliding switch provided on the card." Thus, the Examiner appears to assert not that the claimed switch would have been obvious in light of the combination of Tsounis in view of Barlow, but rather that the claimed switch is expressly taught, i.e., anticipated, by Barlow. The difference is not particularly important given that even under §103(a) the Examiner must still establish that the cited references teach or suggest all of the limitations of the claim.

It is important to note, however, that the claimed element is not merely a mechanical sliding switch but rather a "mechanical sliding switch *provided on the card*." Furthermore, the switch is further defined in claim 7, from which claim 8 depends, as

"allowing the purchaser to selectively withhold or transmit the personal information stored on the card."

The Examiner originally cited column 7, lines 51-63 of Barlow in support of her assertion. The Applicant was, however, unable to determine the relevance of the cited language to the claimed switch and therefore requested clarification. The cited language reads as follows:

A card reader 26 is coupled to the computer 12. The card reader 26 interfaces with the IC card 14 (electronically, magnetically, RF, or otherwise) to transfer information to and from the IC card. In this implementation, the IC card 14 is physically inserted into a slot in the card reader 26 (as represented by the direction arrow). Interface pads on the card's MCU 28 make electrical contact with leads in the card reader, forming an electronic interface between the IC card 14 and the computer 12. Following a transaction, the IC card is removed from the card reader 26 and transported with the user. In other implementations, the card reader 26 might be implemented to communicate with the IC card 28 in a wireless or remote fashion without the physical coupling.

Neither the term 'switch' nor the terms 'mechanical' or 'sliding' appear in this language or anywhere in the entirety of Barlow, nor is the physical or functional equivalent of a mechanical sliding switch disclosed or met by this language or by any language anywhere in the entirety of Barlow, nor is any switch, switching mechanism, or switching functionality disclosed as being provided on the card in this language or anywhere in the entirety of Barlow.

In response to the Applicant's request for further clarification, the Examiner further expounded that "the card reader slot in Barlow's teaching corresponds to this limitation." The Examiner maintained this assertion during the subsequent telephone

discussion as well. More specifically, the Examiner asserts that the card reader somehow meets the definition of a switch, i.e., "a device used to break or open an electric circuit or to divert current from one conductor to another." (American Heritage Dictionary). Barlow discloses that pads on a card make electrical contact with leads in a card reader, forming an electronic interface with a computer coupled with the card reader whereby the computer can access information on the card. But this does not meet the definition of a switch - no current is being diverted from one conductor to another by this action, it is only when a passcode is entered into the computer that the contents of the private storage area of Barlow's EEPROM can be accessed. (Barlow, cols. 11-12, lines 66-56). Is the Examiner really asserting that the combination of a computer, a card reader, and a card anticipates the claimed sliding mechanical switch? This assertion seems clearly false. At best, it might be argued that entrance of a passcode into Barlow's computer results in a switch-like action which allows for accessing the private information, but this is clearly a virtual or software-based switch, and the present application expressly distinguishes such a virtual or software based switch from the claimed mechanical switch:

The selection mechanism 38 may take the form of a mechanical sliding switch on the card 18 itself or on the card reader/writer device 36, or may take the form of a software-based virtual switch provided by software stored on the purchaser's device 14. (Para. 0025).

Clearly, the claimed switch is distinguished from anything disclosed or even suggested by Barlow. In fact, it appears as though the Examiner has confused the

disclosed but unclaimed selection mechanism from the claimed selection mechanism in the present application.

Furthermore, even if it could be said – which it cannot – that some combination of Barlow's computer, card reader, and card somehow is or functions as a mechanical sliding switch, it is not, as claimed, provided on the card. This is an important distinction. An owner of Barlow's card, or a merchant accepting Barlow's card, would have to have access to a personal computer with which to enter the passcode to access the contents of the private storage. An owner of the card as claimed in claim 8 of the present application, or a merchant accepting such a card, need only physically slide the mechanical sliding switch in order to access the same contents. The differences are apparent and irrefutable.

Thus, Barlow does not teach, inherently include, or suggest all of the limitations of claim 8, particularly the limitation of a mechanical sliding switch provided on the card, as is required for obviousness, and the combination with Tsounis does not remedy this deficiency (nor does the Examiner appear to assert that it does), and therefore the Examiner's rejection of claim 8 should be overruled.

D. The Examiner has failed to establish the requisite *prima facie* case of obviousness by failing to show that Barlow teaches or suggests all of the limitations of claims 13 or 17, and therefore Barlow does not make the claimed invention unpatentable under 35 U.S.C. §103(a).

The Examiner has, through two Office Actions and a telephone discussion maintained her rejection of claims 13 and 17 under 35 U.S.C. §103(a) over Barlow, based on her assertion that Barlow “teaches the selection mechanism is a mechanical sliding switch provided on the card.” Contrary to the Examiner’s assertions, however, Barlow does not teach or suggest all of the limitations of the invention claimed in claims 13 and 17, particularly the limitation of a mechanical sliding switch provided on the card, as is required for obviousness, and therefore the Examiner’s rejections of claims 13 and 17 should be overruled.

1. State of the law with respect to 35 U.S.C. §103(a).

The state of the law with respect to 35 U.S.C. §103(a) is set forth above. Reference will be made to that discussion as needed.

2. Barlow does not teach or suggest all of the limitations of claims 13 or 17.

The limitation at issue in claims 13 and 17 is identical to the limitation at issue in claim 8. The rejection of claim 8 was discussed above and applies equally to the rejections of claims 13 and 17. The rejections of claims 13 and 17 have been treated under a separate heading because while the ground for rejection is also §103(a), it is over Barlow alone rather than the combination of Tsounis and Barlow.

In rejecting claims 13 and 17, the Examiner asserts that Barlow ‘teaches’ the claimed limitation, implying anticipation, rather than Barlow ‘suggests’ the claimed limitation. In any event, as has already been made clear, Barlow does not teach, inherently include, or suggest all of the limitations of claims 13 and 17, particularly the limitation of a mechanical sliding switch provided on the card, as is required for obviousness, and therefore the Examiner’s rejection of claims 13 and 17 should be overruled.

E. Conclusion.

With regard to the rejections of claims 1 and 5 under 35 U.S.C. §102(b) over Tsiounis, Tsiounis does not teach or inherently include each, every, and all aspects of the invention claimed in claims 1 and 5, particularly steps (b) and (e) of claim 1 or identical steps (c) and (f) of claim 5, as is required for anticipation, and therefore the Examiner’s rejections of claims 1 and 5 should be overruled.

With regard to the rejection of claim 11 under 35 U.S.C. §103(a) over Tsiounis in view of Barlow, neither Tsiounis nor Barlow nor the combination thereof teaches or suggests all of the limitations of the invention claimed in claim 11, particularly steps (c) and (f) of claim 11, as is required for obviousness, and therefore the Examiner’s rejection of claim 11 should be overruled.

With regard to the rejection of claim 8 under 35 U.S.C. §103(a) over Tsiounis in view of Barlow, neither Tsiounis nor Barlow nor the combination thereof teaches or

suggests all of the limitations of the invention claimed in claim 8, particularly the limitation of a mechanical sliding switch provided on the card, as is required for obviousness, and therefore the Examiner's rejection of claim 8 should be overruled.

With regard to the rejections of claims 13 and 17 under 35 U.S.C. §103(a) over Barlow, Barlow does not teach or suggest all of the limitations of the invention claimed in claims 13 and 17, particularly the limitation of a mechanical sliding switch provided on the card, as is required for obviousness, and therefore the Examiner's rejections of claims 13 and 17 should be overruled.

Accordingly, reversal of the Examiner's rejections is proper, and such favorable action is solicited.

Respectfully Submitted,
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VIII. Claims Appendix

The claims, as they are currently pending in the application, read as follows.

1. A method of mediating a business transaction, the method comprising the steps of:

- (a) providing a transaction center to act as a third-party intermediary between a purchaser and a participating merchant;
- (b) electronically receiving at the transaction center order information from the purchaser, wherein the order information need not identify the purchaser;
- (c) electronically receiving at the transaction center payment information from the purchaser, wherein the payment information need not identify the purchaser;
- (d) verifying the payment information; and
- (e) electronically forwarding the order information to the participating merchant and substantially simultaneously confirming payment to the participating merchant,
wherein the identity of the purchaser can remain substantially anonymous with respect to both the third-party intermediary and the participating merchant.

2. The method as set forth in claim 1, further including the steps of -
receiving an order confirmation from the participating merchant; and
forwarding the order confirmation to the purchaser.

3. The method as set forth in claim 1, further including the steps of -
providing a card for use by the purchaser to make the payment; and
verifying a validity of the card.

4. The method as set forth in claim 3, wherein the card is associated with a
monetary value, the method further including the steps of -
verifying the monetary value; and
debiting the monetary value by an amount substantially equal to the payment.

5. A method of mediating a business transaction, the method comprising the
steps of:

- (a) providing a transaction center to act as a third-party intermediary between a
purchaser and a participating merchant;
- (b) providing a card for use by the purchaser to make a payment, wherein the
card is associated with a monetary value;
- (c) electronically receiving at the transaction center order information from a
purchaser, wherein the order information does not identify the purchaser;
- (d) electronically receiving at the transaction center payment information from the
purchaser, wherein the payment information is associated with the card and
wherein the payment information does not identify the purchaser;
- (e) verifying a validity of the card, verifying the monetary value, and debiting the
monetary value by an amount substantially equal to the payment; and

(f) electronically forwarding the order information to the participating merchant and substantially simultaneously confirming payment to the participating merchant,

wherein the identity of the purchaser can remain substantially anonymous with respect to both the third-party intermediary and the participating merchant.

6. The method as set forth in claim 5, further including the steps of receiving an order confirmation from the participating merchant; and forwarding the order confirmation to the purchaser.

7. The method as set forth in claim 5, wherein the card includes a storage medium for storing non-personal information including an encrypted authentication number for verifying a validity of the card, and for storing personal information including a name and a shipping address for the purchaser; and a selection mechanism for allowing the purchaser to selectively withhold or transmit the personal information stored on the card.

8. The method as set forth in claim 7, wherein the selection mechanism is a mechanical sliding switch provided on the card.

9. The method as set forth in claim 7, wherein the stored information further includes the monetary value associated with the card. Claim 10 (original): The method as set forth in claim 7, wherein the card is associated with a remotely maintained account wherein is stored the monetary value associated with the card.

10. The method as set forth in claim 7, wherein the card is associated with a remotely maintained account wherein is stored the monetary value associated with the card.

11. A method of mediating a business transaction, the method comprising the steps of:

- (a) providing a transaction center to act as a third-party intermediary between a purchaser and a participating merchant;
- (b) providing a card for use by the purchaser to make a payment, wherein the card is associated with a monetary value and includes –
 - a storage medium for storing non-personal information including encrypted authentication information for verifying a validity of the card, and for storing personal information including a name and a shipping address for the purchaser, and
 - a selection mechanism for allowing the purchaser to selectively withhold or transmit the personal information stored on the card;

- (c) electronically receiving at the transaction center order information from a purchaser, wherein the order information does not identify the purchaser;
- (d) electronically receiving at the transaction center payment information from the purchaser, wherein the payment information is associated with the card and wherein the payment information does not identify the purchaser;
- (e) verifying a validity of the card, verifying the monetary value, and debiting the monetary value by an amount substantially equal to the payment;
- (f) electronically forwarding the order information to the participating merchant and substantially simultaneously confirming payment to the participating merchant;
- (g) electronically receiving an order confirmation from the participating merchant;
and
- (h) electronically forwarding the order confirmation to the purchaser,
wherein the identity of the purchaser can remain substantially anonymous with respect to both the third-party intermediary and the participating merchant.

12. A card for use by a purchaser to affect payment during a business transaction, the card comprising: a storage medium for storing non-personal information including an encrypted authentication number for verifying a validity of the card, and for storing personal information including a name and a shipping address for the purchaser;

and a selection mechanism for allowing the purchaser to selectively withhold or transmit the personal information stored on the card.

13. The card as set forth in claim 12, wherein the selection mechanism is a mechanical sliding switch provided on the card.

14. The card as set forth in claim 12, wherein the stored information further includes a monetary value associated with the card.

15. The card as set forth in claim 12, wherein the card is associated with a remotely maintained account wherein is stored a monetary value associated with the card.

16. A card for use by a purchaser to affect payment during a business transaction, the card comprising: a first storage medium for storing non-personal information including an encrypted authentication number for verifying a validity of the card; and a second storage medium for storing personal information including a name and a shipping address for the purchaser, wherein when making payment the purchaser selectively uses the first storage medium or second storage medium and thereby withdraws or transmits, respectively, the personal information stored on the card.

17. The card as set forth in claim 16, wherein the selection mechanism is a mechanical sliding switch provided on the card.

18. The card as set forth in claim 16, wherein the stored information further includes a monetary value associated with the card.

19. The card as set forth in claim 16, wherein the card is associated with a remotely maintained account wherein is stored a monetary value associated with the card.

IX. Evidence Appendix

No evidence is submitted.

X. Related Proceedings Appendix

No copies of decisions rendered by a court or by the Board are submitted.